

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

FM FOREST, INC.,

DEBTOR.

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**CASE NO. 17-36103
CHAPTER 7**

CHAPTER 7 TRUSTEE'S STATUS REPORT

Janet S. Casciato-Northrup, Chapter 7 Trustee ("Trustee"), files this status report.

1. FM Forest, Inc. ("Debtor") filed this Case on November 2, 2017 (the "Petition Date") by filing a voluntary chapter 7 petition. On November 15, 2017, the Trustee was appointed as chapter 7 trustee and continues to serve in that capacity.

2. On September 22, 2021, the Trustee filed an Amended Motion to Compromise with ACA Defendants (the "Motion") seeking approval of a compromise with American Capital Advisors, LLC, Bruce Woodward, William Kramer, Richard Lapp, James Mikel Reynolds, and Myan Management Group, LLC (collectively, "ACA Defendants").

3. Following the hearing on the Motion conducted on October 21, 2021, the Trustee engaged new counsel, Jackson Walker, LLP ("JW").¹ With the assistance of JW, the Trustee undertook a thorough reevaluation of the bankruptcy case.

4. Among other actions, the Trustee reviewed the State Court Litigation file and engaged with her special counsel regarding the matter. The Trustee considered the proposed ACA Defendants settlement as well as the potential impact of a settlement with the ACA Defendants on the overall State Court Litigation.

¹ An application to employ JW was filed on November 24, 2021 at ECF No. 234.

5. The Trustee determined additional information from the ACA Defendants would assist her further evaluating the merits of the proposed settlement. Some documents were provided. However, additional information was requested but has not yet been received. Discussions with the ACA Defendants are ongoing.

6. The proposed settlement included a feature – the allowance of a claim against the estate – that will not be part of any settlement with the ACA Defendants going forward.

7. Based on the progress made, the Trustee believes she will be in a position to determine whether to pursue a settlement with the ACA Defendants within two weeks.

Dated November 28, 2021.

JACKSON WALKER LLP

/s/ Elizabeth C. Freeman

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Proposed Counsel to Janet S. Casciato-Northrup,
Chapter 7 Trustee

CERTIFICATE OF SERVICE

I certify that on the November 28, 2021, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas upon all parties requesting notice via ECF.

/s/ Elizabeth C. Freeman

Elizabeth C. Freeman